

**Statement of Carol B. Hallett,
President and Chief Executive Officer
Air Transport Association of America
Before the Senate Commerce Committee
Hearing on DOT-IG's Interim Report
on Airline Voluntary Customer Service Plans
June 28, 2000**

Mr. Chairman and Members of the Committee, I appreciate the opportunity to address the recently released Department of Transportation Inspector General's interim report concerning the ATA member airlines "Customers First" program. ATA represents the major U.S. passenger and cargo air carriers. Our members transport approximately 95% of the passenger and goods transported by air on U.S. flag airlines.

I am proud to say that the fourteen ATA member airlines that signed the voluntary customer service commitment on June 17, 1999 are working extremely hard to improve the flying experience for their customers. The development and implementation of these plans has been an enormous effort by thousands of employees, from the CEO level down to the newest employee, and in time will prove beneficial to their passengers.

The voluntary commitment was a direct result of this Committee's concerns about the level of customer service in the airline industry. We appreciate the fact that the Committee has given us an opportunity to address this issue without the intervention of federal rules and inflexible regulations.

As announced in our voluntary agreement and later included in PL106-181, carriers were required to submit and implement their individual plans to the Committee and the Department of Transportation Inspector General by September 15, 1999 and December 15, 1999, respectively. As you know, the fourteen signatories all provided and implemented their own plans in the required time frames. Carriers have their individual plans on each of their Internet web sites so that passengers can familiarize themselves with each carrier's customer service policies and procedures.

Let me say at the outset that the airline industry understands the frustrations passengers experience from time to time. We share those frustrations and know that they often cascade as a result of some type of delay or irregular operation.

Clearly, the number one complaint we hear from passengers is delays. And, unfortunately, they are on the increase. In fact, if weather conditions continue as they have over the last two months we may very well outpace last year's record setting summer of delays.

Last summer alone, there were 1,300 delays per day between April and August. Of this number, 1,200 had nothing to do with airline scheduling. Unfortunately, the primary cause for these delays is the fact that our nation's air traffic control equipment and the management of our airspace has not kept pace with the enormous growth in air travel. We are flying today in an air traffic control system that was developed to meet the needs and traffic levels of the 1970s.

Delays cost the airline industry and its passengers \$5.4 billion last year. These delays have negative effects on carriers every day by increasing fuel costs, crew costs and flight times. It is in our best economic interest and those of our passengers to reduce these delays as much as we possibly can.

Moreover, it is important that we not lose perspective on what this industry does well, every day of every year.

Last year, the U.S. airline industry safely carried well over 614 million passengers. It is anticipated that this number will grow to nearly 650 million this year and experts predict we will reach nearly one billion passengers a year by 2011. Obviously, we have significant challenges ahead. But at the same time it should be crystal clear that safety continues to be and will always be our number one priority.

Last year, there were over 22,000 flights each day in this country. This number equates to 16.2 million take-offs and landings each year, which is an increase from 12.6 million in 1989. Our carriers handle almost three million pieces of luggage each day well over one billion every year of which 99.5% arrive with the customer.

These incredible numbers, by any industry standard, are accomplished by dedicated and hard working airline employees despite the growing increases in daily challenges such as delays, the number people flying, and the sheer volume and complexity of the air transportation system.

Although we work hard every day to try and ensure that every passenger is satisfied, we are not perfect and we make mistakes. I believe the Department of Transportation Inspector General's report documents this well.

The fourteen ATA member carriers have made a recommitment to customer service and have begun to employ these plans as a competitive tool, which is a positive development for the passenger. Carriers have removed seats from their planes to enhance legroom, enlarged overhead bins onboard aircraft, developed technological equipment to expedite the check-in process, employing equipment and personnel to reduce long lines at airport ticket counters during peak hours, and other significant positive steps.

In six months, it has been an enormous undertaking and challenge to communicate new policies and reinforce old policies throughout companies with thousands of employees spread across the country at scores of locations. As each carrier monitors its own internal measurements over time, which will allow for corrective action or recurrent training of employees, we will continue to see improvements in customer service efforts.

I noted at the outset that the essential component in determining the passengers' views about their trip is the delay factor. I believe it is important to point out that taxi-out delays of one-hour or more are on the rise. Operational errors and near misses are on the rise and given the fact that a multitude of Internet web sites have been established to register concerns, valid or otherwise, consumer complaints have also increased. We must remain vigilant in our efforts to address all of these very important issues as we move forward together to make the flying experience enjoyable and safe for everyone.

We appreciate the opportunity this Committee has provided the airline industry to rededicate and refocus its efforts on providing quality customer service to all of our passengers. We certainly agree that the free market system is the proper place to sufficiently address such issues.